



## Priorities for the New Presidential Administration to Reduce Poverty through Transitional Jobs Programs

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### INTRODUCTION

The nation is struggling under the worst economic recession in decades, leaving many who have a hard time getting and keeping a job particularly vulnerable to prolonged unemployment, hardship and poverty. The national election renewed the debate regarding how to address poverty and restore economic opportunities for those that have the hardest time getting and keeping a job and now is the most imminent time to invest in practical, national solutions that ensure that all workers benefit from workforce strategies that support successful entry into the labor market. Because of this, the National Transitional Jobs Network recommends that the President and new Congress take important measures to invest and support a national Transitional Jobs agenda.

The NTJN is the lead national coalition of over 2,000 program providers, workforce and anti-poverty organizations, and government officials focused on supporting transitions from poverty to opportunity for the hardest to employ across the country.

Transitional Jobs, (TJ) is an employment strategy that utilizes temporary wage-paid, real work coupled with skill development, and supportive services to transition people successfully into work. TJ programs have helped ***well over a hundred thousand people*** get and keep employment who have not been successful previously. Over 30 states and numerous localities across the country have implemented Transitional Jobs programs for populations with barriers to employment, including TANF recipients, at-risk youth, and people being released from prison.

Investment in Transitional Jobs programs as part of a long-term, poverty reduction and workforce development focus will provide opportunities for many to enter and succeed in work who have previously failed. Providing opportunities to enter, succeed, and advance in the labor market for all workers means that America will continue to be a global economic competitor in the future and that millions of people will have the opportunity to move out of poverty.

As President-Elect Obama and Congress take office in January 2009, an opportunity exists to build on the successful experiences of over 30 states to promote a national Transitional Jobs agenda. As described in Section I of this memo, a federal agenda should include dedicated funding from Congress for local communities to build sustained Transitional Jobs programs as well as new resources to continue serving targeted populations with barriers to employment. In addition, as detailed in Section II, the federal agencies in charge of implementing selected federal programs that support Transitional Jobs are in a unique position to shape a broader federal agenda. If implemented soon after a new Administration takes office, these agency reforms can have immediate impact.

#### Millions of Americans Need Assistance in Order to Succeed in Employment

- **5.2 million youth are considered disconnected** from work and school.
- **Over 700,000 people leave prison** and return to communities each year.
- **Over 3.5 million people experience homelessness** in any given year.
- **On average 2 million families receive TANF** each year.
- **Over 300,000 returning veterans** have disabilities that will hinder them in finding a keeping a job.

## BACKGROUND ON TRANSITIONAL JOBS

Transitional Jobs is a practical employment strategy that was developed across the country by a diverse group of stakeholders to support the entry and advancement of people who have a hard time getting and keeping a job. The approach utilized lessons learned from On-the-Job Training, sheltered employment, welfare reform demonstrations, social work theories of change, adult learning, and engagement with the employer community. Transitional Jobs are structured to provide a bridge to critical work supports, including the Earned Income Tax Credit, literacy programs, and industry sector training, thus helping disadvantaged workers advance up the career ladder. The core elements of a Transitional Jobs program are:

- Orientation/Assessment
- Job Readiness/Life Skills Training
- Case Management/Supportive Services
- Transitional Job
- Unsubsidized Job Placement
- Job Retention Support
- Linkages to Education/Training

The evidence for the effectiveness and benefit to individuals, families, and communities of Transitional Jobs programs has been built by numerous program evaluations and rigorous random assignment studies. These findings support Transitional Jobs programs as the most effective solution to support the entry and advancement of many populations with barriers to success in work.

### Research Findings:

**Transitional Jobs programs are a cost effective way of helping individuals with barriers to employment enter and succeed in the labor market.** A return on investment analysis completed for the State of New York by the Fiscal Policy Institute estimated that the cost savings for the state in serving longtime public assistance recipients and the formerly incarcerated through Transitional Jobs programs together equaled over \$106 million over three years after subtracting the state's initial funding investment in Transitional Jobs programs.<sup>1</sup>

**Transitional Jobs programs dramatically reduce reincarceration rates for persons reentering from communities from prison.** Rigorous random assignment findings from a MDRC study evaluating the effects of Transitional Jobs programs on people recently released from incarceration through the Center for Employment Opportunities in New York have shown **50 percent decreases in reincarceration** for people entering into a TJ program within 90 days of release. Ongoing findings indicate that reincarceration **continues to decrease** for groups involved in a TJ program.

**Participants in Transitional Jobs programs are more likely to get and keep a job, increase wages over time, and show a decreased reliance on public benefits.** A 2004 study comparing participants in the standard Minnesota Family Investment Program with those enrolled Advancement Plus, a paid Transitional Jobs program with intensive case management, found that the latter helped clients with severe barriers obtain employment. Among the findings: 48 percent of homeless participants who had been receiving welfare for 52 weeks before being placed in the TJ program obtained unsubsidized employment at the conclusion of the program, compared to 34 percent of the homeless welfare recipients who were not in the TJ program.<sup>2</sup>

**An extensive 2002 review of TJ program data found high post-Transitional Jobs employment rates for six Transitional Jobs programs—between 81 to 94 percent.** In addition, an evaluation of Washington State's Community Jobs program found that the program had strong positive impacts on employment and earnings. The average participants had eight barriers to employment and were the least work ready of all welfare recipients in the state, yet after the program, **72 percent of participants** entered unsubsidized employment and had **average income increases of 60 percent** during the first two years in the workforce compared to pre-program income.<sup>3</sup>

<sup>1</sup> Renwick, T. (2008). *Transitional Jobs return on investment study*. New York: Fiscal Policy Institute.

<sup>2</sup> EnSearch, Inc. (2004). *Comparison study: An evaluation that compares outcomes for a multi-state Transitional Jobs program with random samples of participants in the Minnesota Family Investment Program (Minnesota's TANF Program)*. St. Paul, MN: Lifetrack Resources.

<sup>3</sup> Burchfield, E. (2002). *Community jobs program moves people from welfare to a career track: Outcomes assessment summary*. Seattle: Economic Opportunity Institute.

## **PROPOSAL**

**In order to ensure that the Transitional Jobs strategy can be appropriately structured to successfully assist low-skilled, hard to employ populations' entry to work and a pathway to sustainability, the National Transitional Jobs Network submits that a series of actions be taken to ensure that Transitional Jobs programs are protected and continue to expand for people who would otherwise fail in the labor market. What follows is a proposal for a dedicated funding initiative as well as program-by-program clarifications and alterations, some of which are legislative.**

### **I. Dedicated Funding**

Although there are no dedicated federal funds for Transitional Jobs programs, a variety of federal funds are being used to support elements of the strategy. Transitional Jobs programs have been supported in part by Temporary Assistance to Needy Families (TANF), Food Stamp Employment and Training, Child Support Enforcement, Workforce Investment Act, youth programs, prisoner reentry funds and a variety of other city and state funds. All of these programs and funding sources have rules that create barriers for Transitional Jobs programs in accessing and applying funding. There are numerous ways for these programs to be adapted to effectively support Transitional Jobs programs; however dedicated funding provides the best avenue for program expansion, support, and effectiveness.

#### ***Funding Proposal***

- ✓ The National Transitional Jobs Network estimates that a reasonable target for expanding the field is 250,000 participants (transitional workers) over five years. This can be reached through two funding methods. One is a first-ever stand-alone transitional jobs program. Funded at \$1 billion over the five years, this would produce as many as 130,000 of the participants. The other 120,000 would be produced through the varied funding streams already used to support Transitional Jobs, with some amendments to make that utilization clearer and easier. This proposal complements the long-term commitment that President-elect Obama has expressed to invest \$1 billion dollars over five years for Transitional Jobs programs and career pathways programs for the hardest to employ across the country, as a key component of a poverty reduction strategy.<sup>4</sup>
- ✓ The enabling law establishing dedicated funding should be carefully drafted to protect the core features of the strategy, ensure local flexibility, and clarify the principle that Transitional Jobs workers must not displace regular workers in any workplace. This funding should be focused on particularly vulnerable populations, such as people reentering communities after a time in prison, disconnected youth, or homeless veterans.

### **II. Federal Agency Priorities and Related Legislation**

What follows is a brief summary of current policy of the key federal agencies with jurisdiction over Transitional Jobs programs and proposed reforms to expand the impact of Transitional Jobs. While this section emphasizes specific areas of agency reforms, it is critical for these agencies to also coordinate and collaborate, especially where they serve similar populations, to maximize their resources.

#### **A. U.S. DEPARTMENT OF LABOR (DOL)**

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<sup>4</sup>President-Elect Obama's proposals for Transitional Jobs programs are available at: [www.change.gov](http://www.change.gov). For more information about the NTJN's recommendations on how to implement TJ in the new administration, see: <http://transitionaljobs.net/Policy/NTJNFederalMemo.pdf>.

The Department of Labor's Employment and Training Administration (DOL/ETA) is responsible for administering the Workforce Investment Act (WIA), which authorizes the nation's federally-funded job training and employment system, in addition to several other employment programs targeted at specific populations. In its capacity as the agency responsible for multiple employment programs, DOL is well suited to be the focal point for any large scale expansion of the Transitional Jobs model.

***Recommendations for agency role***

- ✓ We recommend that DOL act as the lead agency in charge of the coordination and expansion of Transitional Jobs programs, working with other partner agencies such as the Department of Health and Human Services (HHS), the Department of Justice (DOJ), the Department of Transportation and others.
- ✓ DOL should also act as a clearinghouse for best practices, technical assistance, and research related to Transitional Jobs.
- ✓ In addition, DOL can promote Transitional Jobs as an agency priority and provide guidance about how various programs it administers, such as WIA, can support these programs.

**Workforce Investment Act**

***Current Policy:*** WIA law and regulations support several elements of Transitional Jobs programs, including employer engagement, case management, job placement, follow-up services, and education and training components of the program. WIA funds can also be used to fund wages for participants in certain instances through on-the-job training or paid work experience.

WIA's priorities of service requirements articulate that low-income individuals and public assistance recipients have priority of service for intensive and training funds when funds are limited. This provision supports the use of Transitional Jobs programs, which are typically targeted at individuals with barriers to employment. However, analysis of available data of adult program exiters show declines in the share of low-income adults receiving intensive and training services under WIA since its enactment.

***NTJN Recommended Legislative Changes to WIA***

In order to ensure that Transitional Jobs become a key strategy utilized by the workforce system to help individuals with barriers to employment enter and succeed in the labor market, we recommend the following changes to WIA, through reauthorization:

- ✓ Ensure that Transitional Jobs are an allowable use of funds under WIA for youth and adults.
- ✓ Create a Transitional Jobs Grants program in order to develop and expand Transitional Jobs programs for individuals with barriers to employment, such as persons who were formerly incarcerated.
- ✓ Develop more meaningful priority of service requirements. Existing priority of service language should be strengthened, and states should be required to outline the process for monitoring local areas for compliance in the state plan.
- ✓ Mandate adjustment of performance measures based on characteristics of populations served, in order to eliminate disincentives to serving individuals with barriers to employment.

***NTJN Proposed Agency Interim Reforms: Issue Relevant Program Guidance***

In the interim period while WIA is being reauthorized, the Department of Labor can immediately take the following key actions to promote the development and expansion of Transitional Jobs programs:

- ✓ DOL guidance is needed to clarify how WIA funds can be used to support Transitional Jobs programs, specifically around how funds can be used to subsidize wages. Guidance could

highlight Transitional Jobs programs as an effective strategy for helping individuals with barriers to employment succeed in the labor market and the Department's support for this type of program intervention. Guidance should also clarify that individuals participating in paid work experience should be treated as paid employees for tax and benefit purposes.

- ✓ WIA mandates certain performance measures, but DOL has revised the definition of the measures through program guidance. DOL under a new administration should implement new guidance on performance measures to ensure that they do not include a disincentive to serving individuals with barriers to employment. The Department should also adjust performance targets based on the characteristics of participants served.

#### ***Proposed Funding for Demonstration Programs***

- ✓ DOL is currently providing some funding for program demonstrations and evaluations that involve the Transitional Jobs model. These should be greatly expanded.

### **Senior Community Service Employment Program (SCSEP)**

***Current Policy:*** The Department of Labor administers the Senior Community Service Employment Program (SCSEP), which essentially can fund all components of a Transitional Jobs program for eligible low-income individuals over age 55. The program is generally under resourced with respect to combining skills training and job coaching staffing to assist with transition to unsubsidized placement.

#### ***Proposed Reform***

- ✓ DOL should advocate expanding this program, increasing the funding to allow providers to adequately add staff in order to make the employment transitional and to increase the effectiveness of placement activities.

### **Second Chance Act**

***Current Policy:*** Having passed in identical form in both the House and Senate, this bill now awaits the signature of the President before becoming law. One of the findings listed in the act is that "Transitional Jobs programs have proven to help people with criminal records to successfully return to the workplace and to the community, and therefore can reduce recidivism" (Section 3(b)(19)). The Second Chance Act authorizes several grant programs to promote successful prisoner reentry, including the "Responsible Reintegration of Offenders." Through this program, the Secretary of Labor may make grants to nonprofit organizations to provide job training and job placement and other transitional services to assist eligible offenders in obtaining and retaining employment. The Second Chance Act authorizes \$20 million for this program for each of fiscal years 2009 and 2010, but the funds have yet to be appropriated.

#### ***NTJN Recommendations***

- ✓ We recommend Congress provide full funding for the Second Chance Act.
- ✓ We also recommend that DOL support the use of Transitional Jobs programs in the Solicitation for Grant Applications for the grants awarded through the Responsible Reintegration of Offenders program. This would be consistent with the legislation, which highlights Transitional Jobs as an effective program model.

## B. DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)

The U.S Department of Health and Human Services administers several programs that can fund some or all components of Transitional Jobs programs, including Temporary Assistance for Needy Families (TANF), Child Support Incentive Funds, Social Services Block Grant (SSBG) and the Chafee Foster Care Independence Program. HHS can take several steps to ensure that the programs it administers better support the development and implementation of Transitional Jobs programs for eligible individuals.

### Temporary Assistance for Needy Families (TANF)

**Current Policy:** The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 authorized the Temporary Assistance for Needy Families (TANF) block grant to states. Under the TANF block grant, states have flexibility to design different types of programs, but they must engage a certain percentage of individuals receiving assistance (50 percent of all families with an adult and 90 percent of two-parent families) in work activities for a certain amount of hours or face financial penalties.<sup>5</sup>

The TANF program was recently reauthorized as part of the Deficit Reduction Act of 2005 (DRA). The DRA made the following key changes to TANF, which have had the effect of significantly increasing the participation rates states are required to meet:

- Individuals receiving assistance funded with qualified State maintenance-of-effort expenditures (MOE) were added to the calculation of the work participation rates.
- States receive credit toward the required participation rate for caseload declines not caused by eligibility changes. Under the DRA, the base year of the caseload reduction credit was revised from FY 1995 to FY 2005. As most states had experienced large caseload declines during the late 1990s, this had the effect of greatly increasing the effective participation rate requirement.

The DRA required HHS to develop regulations defining the countable work activities (9 activities that count toward “core” hours of participation and the 3 activities that count as “non-core” activities), which were included in PRWORA.<sup>6</sup> It also required HHS to establish work verification procedures for states. HHS issued the final regulations in February of 2008.

Transitional Jobs are an effective strategy to help states meet higher work participation rates and to help individuals find jobs and move out of poverty. The subsidized component of Transitional Jobs programs counts as “subsidized employment,” which is a core activity under TANF and can count toward all hours of a TANF recipient’s required hours of participation. Under the new regulations, other components of a Transitional Jobs program can be counted as subsidized as long as all hours of activity are paid.

### *Recommended Legislative Changes to TANF*

As a result of the DRA and the new regulations, states are now focusing on caseload reduction, meeting participation rates, and complying with excessive documentation requirements of program

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<sup>5</sup> A single custodial parent with a child younger than six must participate for an average of 20 hours a week and all other parents must participate for an average of 30 hours a week to count toward the all families rate. Under the separate rate for two-parent families, they families must participate an average of 35 hours a week, or 55 hours if receiving federally funded childcare.

<sup>6</sup> Core activities count toward meeting the first 20 hours of a 30-hour weekly requirement; non-core activities count towards additional hours needed.

participation. Instead of forcing states to devote limited resources to the documenting process, the Federal government should encourage states to focus on achieving positive outcomes for participants through the development of programs, such as Transitional Jobs, that meet the needs of participants and help them to move out of poverty. In 2010, the TANF program will need to be reauthorized. When the program is reauthorized, we recommend the following changes to support the development and implementation of Transitional Jobs programs:

- ✓ Make Transitional Jobs programs a countable core activity.
- ✓ Provide additional flexibility to states to design programs that meet the needs of participants by allowing states to opt into an outcome-focused performance measure in lieu of the participation rate requirement.

### ***Recommended Regulatory Changes to TANF***

If HHS decides to make changes to current regulations before TANF is reauthorized, we recommend the following:

- ✓ Allow states to count an individual participating in more than one countable work activity in the activity that makes up the majority of the hours of participation. Transitional Jobs programs typically blend paid work with barrier removal and skill building activities, but the dominant activity is the subsidized job. The new regulations only allow these additional activities to be counted as subsidized employment if they are paid or if they are counted as another type of activity.
- ✓ Simplify work verification plans and allow for more flexibility in monitoring and reporting program participation.

### ***Proposed Agency Interim Reforms***

In the interim period before TANF is reauthorized, HHS should take the following actions to support the development and expansion of Transitional Jobs programs:

- ✓ Provide the maximum flexibility possible when reviewing the work verification plans to allow states to design programs that work for participants and to minimize burdensome reporting requirements.
- ✓ Provide technical assistance to states and outreach about Transitional Jobs programs as an effective program model to help participants succeed in the labor market and to help states meet work participation rates.
- ✓ Expand research and demonstration projects on Transitional Jobs.

## **Child Support Enforcement**

***Current Policy:*** Congress enacted deep funding cuts to the Child Support program in the Deficit Reduction Act of 2005, including eliminating the federal match on performance-based incentive funds.

### ***NTJN Recommendations***

- ✓ We recommend that these funding cuts are reversed.
- ✓ We recommend that the Administration seek an amendment to the federal child support statute to allow state agencies to use federal matching funds for Transitional Jobs programs for low-income non-custodial parents, in order to help them enter and succeed in the labor market, secure better paying jobs, and pay child support on a consistent basis.
- ✓ In addition, the federal Office of Child Support Enforcement (OCSE) should provide waivers to allow states to participate in a large-scale Transitional Jobs demonstration program. This type of demonstration program would involve collaboration between the local child support agency and

the Transitional Jobs program and other employment and training providers. The demonstration should include sites in multiple states and involve a rigorous research agenda.

### **Chafee Foster Care Independence Program**

**Current Policy:** Typically, workforce preparation is not a priority for child welfare programs while a child/youth is in foster care because of the great many issues the system needs to, and in most cases does, address. This lack of work-related preparation and experience makes the need to support the connection of the youth in foster care with the workforce as they age out an even greater priority. Nonetheless, workforce preparation programming varies from state to state and very few have implemented any form of Transitional Jobs.

Despite this, the Child Welfare program is charged with successful preparation of the youth who are in foster care that are aging out at ages 18 to 21. Successful outcomes are broadly defined as the young adult being ready to live independently and to support himself or herself. Thus, in addition to ensuring health care needs are met and that the youth has housing in place, successful transition to independence requires either engagement in post-secondary education or further education to prepare for post-secondary education that will prepare the youth for self-sufficiency or a meaningful connection to the workforce.

Chafee funds were an explicit add-on to child welfare funding to the states to more effectively prepare the aging out young adults to successfully transition to independence in the community. In addition, some states have shifted TANF funds or use state funds for TANF MOE to serve this population and all of it can be used to support Transitional Jobs.

#### ***NTJN Recommendation***

- ✓ The Children's Bureau should partner with the NTJN on trainings and TA to promote Transitional Jobs as an effective strategy to connect youth who are aging out of foster care to employment.

### **Social Services Block Grant (SSBG)**

**Current Policy:** HHS dictates that funds must be used by a state to prevent, reduce, or eliminate dependency, achieve self-sufficiency, prevent child abuse or neglect, reduce inappropriate institutional care, or secure admission into institutional care. This Federal funding stream thus has a broad purpose and is available to fully fund Transitional Jobs elements. Use has been limited since the flexibility of these funds coupled with the devolution of services to the States and local governments has made much of the existing funding unavailable for TJ as it is committed to other needed services – often supporting work.

#### ***NTJN Recommendations***

- ✓ Reverse the SSBG funding cuts.
- ✓ Provide clarification that Transitional Jobs are an allowable use of funds consistent with the goals of reducing or eliminating dependency or achieving self-sufficiency.

### **Community Services Block Grant (CSBG)**



**Current Policy:** These funds to the states are targeted to the reduction of poverty and empowerment of low-income families and individuals to become self-sufficient. Most of the funds are re-granted to Community Action Agencies and other community-based organizations. The funds can be used for planning and coordination, to fund direct services, and to deliver innovative community-based approaches that respond to unique needs and challenges of communities targeting the homeless, unemployed, and youth with self-sufficiency strategies, employment, housing, and emergency assistance, 42 USC 9908 (b). Transitional Jobs for people who are unemployed and living in poverty, reentering from prison, reaching TANF time limits, and others is an approach that fits squarely within the targeted purposes of CSBG.

As with the Community Development Block Grant, the current administration has sought to eliminate these funds. Local and state governments and many community members and nonprofits have successfully fought to preserve the existence of these funds and their uses, but there have been cuts.

**NTJN Recommendation**

- ✓ The new Administration should embrace this widespread support for these vital, flexible funds and reinforce their value both by expanding the funding levels and by raising the focus on employment and training with explicit recognition of the need to expand Transitional Jobs and Bridge programs (tying work with vocational education). This would align these funds with the challenge facing many communities to develop the workforce to assume the jobs that will be become available in new sectors, to connect youth, people who are homeless, and persons reentering communities to employment, and to have a ready workforce in sectors being vacated by the retiring boomers.

## **Refugee Resettlement**

**Current Policy:** Refugee populations are immigrants who cannot return to their homelands and who enter the United States with work authorization. The goal is to rapidly resettle them into the community with employment of the able-bodied adults. The number of refugees entering the United States in the Bush administration has hovered at or below 60,000. Each year, the President determines the number of refugees allowed to enter the country. The expectations are that entries will increase in the next administration. While the skills and work experience vary widely (e.g., Iraqi refugees are often skilled and educated while Burmese are unskilled after having been warehoused in refugee camps for over 15 years), many are unskilled and hard to employ as they learn English. Experiential on-the-job-learning reinforcing their English learning through a Transitional Job is a key employment strategy. Refugee resettlement funding is flexible but paltry compared to the housing, clothing, furniture, and education needs of the refugee families. In addition, the Office of Refugee Resettlement has little direct funding for Transitional Jobs even though the cash assistance for these individuals is limited to 9 months. Rapid attachment to the workforce for wages is a key outcome.

**NTJN Recommendation**

- ✓ Recognizing the natural connection between the goals for refugee resettlement and rapid successful attachment to the workforce, new funding should be identified and earmarked to provide Transitional Jobs to refugees. The level of funding should be tied to a percentage of refugees being resettled, for example, 20% of the total.

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## **C. DEPARTMENT OF AGRICULTURE**

### **Food Stamps Employment and Training (FSET)**

**Current Policy:** FSET rules authorize the use of FSET funds for all components of Transitional Jobs programs except wages. Under the FSET rules this is referred to as “subsidized employment.” FSET funds are available to cover all the costs of Transitional Jobs for qualified Food Stamp recipients related to administration, case management, client services, job readiness training, initial employment costs, and transportation. States receive an allocation of 100 percent federal funds for FSET, and may claim additional expenses for 50 percent federal reimbursement. Programs may also receive reimbursement for payments for client expenses, such as childcare or transportation. FSET funds can be targeted to mandatory participants under the Food Stamps program or adults who do not receive cash assistance and who do receive Food Stamps who volunteer for the program. Many states have not used this funding stream to create or support Transitional Jobs since the wages needs to be separately funded, and often the funding is from another agency with its own set of rules.

**NTJN Recommendation**

- ✓ FSET should be amended to allow for the use of funds to pay for the subsidized wages in a Transitional Jobs Program.

**D. DEPARTMENT OF JUSTICE (DOJ)**

Successful Transitional Jobs programs have taken hold around the country to serve the record numbers of people leaving prison and returning to their communities seeking employment. These programs rely on a variety of government and private funding sources, including state correctional dollars. DOJ funding, however, has been severely limited.

**Current Policy:** USDOJ currently supports program components and activities of Transitional Jobs programs for youth and adults with criminal records through federal Operation Weed and Seed funds as directed by the Community Capacity Development Office. Funds awarded to officially recognized sites may be used to carry out training and job placement activities consistent with components of the Transitional Jobs strategy. In addition, the Office of Justice Programs is the lead agency implementing the President’s Prisoner Reentry Initiative, which coordinates reentry policy with the DOL, DOE, the Department of Veterans’ Affairs, and other federal departments that administer reentry programs. In addition, DOJ authorized Transitional Jobs programs under the Serious Violent Offender Reentry Initiative (SVORI), which ended in FY2005, SVORI provided \$110 million to 69 state and local grantees providing services to high-risk youth and adults leaving correctional institutions and seeking treatment, employment, and other critical services. On March 11, 2008, Congress passed the Second Chance Act of 2007 (H.R. 1593), which authorizes \$65 million in matching grants over two years to fund state and local government entities that develop a “reentry strategic plan” that includes “educational, literacy, vocational, and job placement services to facilitate re-entry into the community.”

**NTJN Recommendations**

USDOJ should expressly authorize Transitional Jobs as a permissible activity to be funded by the state and local grants made available under the \$65 million demonstration grant program authorized by the Second Chance Act.

- ✓ USDOJ should expand its Reentry Initiative with the other cooperating federal agencies, including the U.S. Department of Labor, to document and promote model Transitional Jobs programs.
- ✓ Building on the experience of the state and local Transitional Jobs programs serving those recently released from prison, USDOJ should seek dedicated funding from Congress to support these initiatives specifically.

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## E. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

### HOPE VI

HUD, working with public housing authorities (PHAs), throughout the country is using HOPE VI and related funding streams to rehab or tear down public housing sites and develop new mixed income communities. As part of that vision, they are requiring as condition to leasing that resident be working or engaged in work activities. Many of these residents are disconnected from the workforce, no longer receive TANF, are unlikely to qualify for many WIA programs, and are without the networks that enable many persons to connect to the workforce. Transitional Jobs have proven to be a key approach to connecting residents who are hard to employ to the workforce to be engaged in work and to qualify for the new lease requirement. HOPE VI funds have been used by PHAs for case management, assessment, Transitional Jobs, and placement services. PHAs are limited to 15 percent of these funds for services and must provide a match for any funds over 5 percent.

This Transitional Jobs approach has also been coupled successfully with an asset building program of HUD's called Family Self Sufficiency allowing the public housing or Section 8 resident to go to work and enroll so that the approximate value of increased rent due to employment is held in an account for the resident for future goals (increased income, education, homeownership, etc.) within the next 5 years.

#### ***NTJN Recommendations***

- ✓ Whether a PHA is transforming its housing by creating a mixed income community, relying on scattered site, or renovating existing housing, HUD can adopt explicit rules endorsing Transitional Jobs as a method to get the residents attached to the labor force and to increase the percentage of employed residents. The NTJN does not endorse that employment be a condition of housing, just that HUD and PHA's work with the residents to create opportunities for entry into the labor market.
- ✓ Eliminate the match requirement. Except in extraordinary circumstances where there is local government support or private foundation funding, the match requirement severely limits the use of the funds for Transitional Jobs.

### Housing Opportunities For People With Aids (HOPWA) and McKinney-Vento Homeless Assistance Grants

**Current Policy:** HOPWA and McKinney funds are the anchor funding streams targeted to delivery of housing and services to homeless persons. Among the supports is the need to develop a person's ability to pay their rent to the extent possible. Persons who are homeless often have been disconnected from the workforce for extended periods, and Transitional Jobs can be an effective way to reconnect the person to the workforce to assist them in developing rent-paying capacity. Under the Bush Administration, however, the focus of the funds has been to shift priority to permanent housing and to reduce the delivery of services funded by these streams.

#### ***NTJN Recommendation***

- ✓ Reverse the current trend to allow for local continua of care to select for funding Transitional Jobs as a complement to creating lasting housing and income solutions. Achieving this will require express informational notices from the Community Planning and Development Office and HIV/AIDS Housing Office with changes in the current priorities for funding.

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If you have questions or would like more information regarding the recommendations detailed above, please contact Melissa Young at the National Transitional Jobs Network:

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